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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

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June 6, 2007

Mr. Mark Dotson, President
Western Utah Copper Company
1208 South 200 West
P.O. Box 492
Milford, Utah 83346

Subject: Corporate Surety Bond Returned as Unacceptable, Western Utah Copper Company,
WUCC-Palladon Copper Site, M/001/067, Beaver County, Utah

Dear Mr. Dotson:

The Division has received the original and executed Corporate Surety Bond, Attachment A in an effort to bond Western Utah Copper Company's WUCC-Palladon Copper site. The bond is being returned as unacceptable for the following reasons:

- Permit is shown to be on BLM land, therefore the BLM must be named as co-beneficiary (page 1), please change the co-beneficiary from NONE to BLM.
- The Notice of Intention date is listed as November 2, 2005 (page 1) please correct the date to April 22, 2005.
- The signature page (page 3) is missing Western Utah Copper Company's seal. Please have your company seal placed on the signature page.

Also, please find enclosed the large mine reclamation contract that still requires completion and return with notarized signature to the division. Please sign and return the original documents attn: Jed Pearson, Surety Coordinator.

If you have any further questions, please contact Jed Pearson, Surety Coordinator at 801-538-5382 or e-mail bondcoordinator@utah.gov.

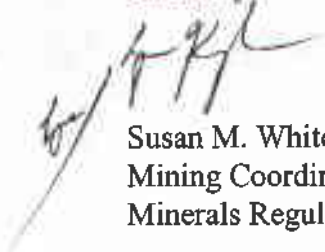


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M/001/067
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Please direct your immediate attention to complete and/or correct these matters identified in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. White', is written over the word 'Sincerely,'.

Susan M. White
Mining Coordinator
Minerals Regulatory Program

SMW:JP:be

Enc: Large Mine Reclamation Contract partially completed.
Original Attachment A Surety Bond \$1,500,000

cc: Jed Pearson, DOGM

Tom Munson, DOGM

Michael Wade, Insurance Company of the West, 960 W LeVoy Drive, Murray, UT 84123

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